

**MEMORANDUM FOR:** Acting Deputy Director (Administration)

**SUBJECT:** Project Outline Format for PRC Presentations

**REFERENCE:** Top Secret Document TS#77422

1. The reference contains a Project Outline Format which is proposed for compulsory Agency-wide usage in the submission of projects for approval. In connection with this proposal I would like to suggest certain revisions thereon which would materially contribute to:

- a. The development of more effective and appropriate administrative plans.
- b. The development of a sound basis for the final writeoff of Agency disbursements in the form of subsidy payments.
- c. The precise placement of primary operational responsibility.

2. In the development of administrative plans, the key factor as to the need for a plan, the type of plan, and the specific provisions in a plan is usually CONTROL. By control we mean the degree to which CIA can direct and secure compliance by the principals actually conducting and supervising the substantive activity. Control is dependent upon many factors and circumstances. These range from intangible items (such as the motivation, character and personality of the principals) to the more tangible circumstantial factors (communications, cover limitations, and security limitations). Nevertheless it is these control factors which practically dictate the type of administrative plan which is developed. Lastly, CIA often undertakes activities wherein its control is initially extremely nominal, but wherein its long-range objective is to obtain effective control. In such instances the initial administrative plan will reflect the absence of effective control, but the plan should nevertheless lay the foundation for expansion of control by indicating the direction in which the plan should be expanded as effective operational control is developed. In this connection the value of exploiting so-called administrative mechanics, such as financial reports and operating budgets, as a positive means of fostering operational control has been proven again and again. A major illustration is project [REDACTED] which was operationally unmanageable until effective control provisions in an administrative plan were gradually put into effect.

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3. For the above reasons, it is recommended that paragraph 3. of the proposed project outline be expanded and more explicitly described in order to establish the following points:

a. Control relationships with project principals. (Describe personal factors of motivation, personality of project principals, and other factors, e.g. communications, cover limitations, which delimit or circumscribe the initially established degree of control.)

b. Describe the degree of control determined to be initially feasible, and the degree of control toward which the Agency should strive. 25X1A

25X1A 4. The second major proposal for the revision of the Project Outline concerns [redacted] activities exclusively. It is obvious that the only substantiation the Agency can provide that its [redacted] have been properly and effectively expended is by evaluation of all available information that shows how our money was in fact expended. Although some financial data can usually be obtained, this is essentially useless excepting in terms of an appraisal of substantive progress and accomplishments.

5. It seems imperative that the financial records of the Agency, reflecting the final writeoff of our [redacted] grants, be based clearly and unequivocally upon periodic certification by the responsible operating official, 25X1A

"that he has reviewed not only such financial reports as are obtainable but also specified substantive reports and has determined that Agency funds were properly and effectively expended in the development and attainment of the approved project objectives."

25X1A For this reason I recommend that separate and specific provision be made in every [redacted] Project Outline for giving the nature, type and frequency of the evaluation reports to be rendered (from which reports the responsible official will make his evaluation and render his certification of expenditure). Such a requirement will not only remedy a serious deficiency in Agency fiscal records but will also result in better controlled and better directed [redacted] operations. 25X1A

6. My last recommendation is that the Project Outline clearly indicate the exact point (field station or Headquarters) from which primary supervision and direction will be exercised. Although the cover page of the proposed Project Outline indicates the "Case Officer," this term is generally used in referring to the Headquarters officer, who has only technical supervisory responsibilities. Often that case officer is not the official exercising immediate supervision and

direction over the project. (This is particularly true of overseas projects.) I believe there has often been either confusion or conflict as to whether a Headquarters case officer or a field Chief of Station has primary responsibility for the direction of a specific project. To eliminate any confusion on this point, I recommend that there be specific provision made for identifying the actual official to be held responsible for the immediate supervision, direction and control of a project.

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